RECEIVED
CENTRAL FAX CENTER
JUN 20 2006

URGENT EXPITED PROSECUTION

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: Ben Boatwright etal — Group Art Unit 1733
Series Code/Serial No.: 10/665,467 — Filing Date: Sept. 22, 2003
Doc. No.: 0671/8 — Examiner: Christopher Schatz
Invention Title: STICHLESS ON-SITE BINDING APPLICATION METHOD AND DEVICE

As article No.: EL58686| | |_|_|US EXPRESS MAIL I hereby certify, that on or before the below indicated date, this correspondence is being deposited with the United States Postal Service with sufficient postage in an envelope addressed to the: Commissioner for Patents, P.O. BOX 1450, Alexandria, VA 22313-1450, and/or facsimile (571-273-8300) transmitted to the U.S. Patent and Trademark Office.

MS Non-Fee Amendments (PAT)
Commissioner for Patents
P.O. BOX 1450
ALEXANDRIA, VA 22313-1450

BY: [signature]
Agent for Applicant
Date: JUNE 20, 2006

SUBJECT MATTER THAT MAY BE DEEMED MATERIAL TO PATENTABILITY UNDER 37 CFR 1.56 for the ABOVE IDENTIFIED APPLICATION

Sir:

On March 24, 2006, Benigano G. Perez ("Perez"), a client of mine and Patentee of U.S. Patent Number 6,974,616 B2, faxed me the attached e-mail from Jeffrey H. Greger to Ben Boatwright, subject INSTABIND, and dated March 22, ("e-mail"), which I have reviewed with much interest.

Upon my request, on April 4, 2006, I met with Perez in my office to discuss the e-mail in greater detail. I advised him that the contents of the e-mail may contain subject matter that may be deemed material to patentability by a trier of fact. And, as such, I further advised Perez that it is my obligation to forward a copy of the e-mail directly to the Patent Office for their evaluation. Thus, attached is the e-mail for your evaluation.

Richard L. Miller
12 Parkside Drive
Dix Hills, N.Y. 11746-4879
PHONE #: (631) 499-4343

Respectfully submitted,
[signature]
Agent for Applicant

N:\WP51\PATCOM\RULE156C.KP

Date: June 13, 2006

PEREZ FAX

Dave Schaible

From: "Ben Boatwright" <ben@instabind.com>
To: <daves@bondproducts.com>
Sent: Wednesday, March 22, 2006 8:28 PM
Subject: Fwd: INSTABIND

Regards,

Ben Boatwright
CEO/ Instabind LLC
866-467-8224
Murfreesboro TN
USA
Time zone: Central

—— Original Message ——
From: 'Jeffrey H. Greger' <jhgreger@IPFirm.com>
To: <ben@instabind.com>,
<kellyflooring@centurytel.net>,
<Brianm@bondproducts.com>
Sent: Wed Mar 22 18:17
Subject: Fwd: INSTABIND

Gentlemen, I don't have Dave's email handy, please forward a copy of this to David.

Please note this communication is legally privileged and is attorney client work product and could be strategy in anticipation of legal action. If you do not want to maintain the secrecy of this communication please return it without reading it and notify me that you are deleting the communication.

I just received the copies of the Perez patent documents from the US Patent Office. Mr. Perez did file in Peru back in August of 2002 which was subsequent in time to Ben and Kelly's filing date in June of 2002. I have only had time to take a cursory review of the Spanish documentation and the corresponding US translations and later filings. Perez's initial invention is clearly focused on an iron and application of pre-made binding using an adhesive to be melted by the iron. The initial filing documents do however include one embodiment which is arguably similar to the INSTABIND invention to the extent it describes a welting attached to a flange and apparently to be preapplied with adhesive and attached with an iron. The initial paperwork is very unclear and not specific and clearly, Perez used the actual Instabind product to perfect his product and technique which never

mentioned anything about the method disclosed by INSTABIND, namely, the use of a preapplied double face tape for a temporary hold and next a permanent bond using thermoplastic or other adhesive to close the welt and edge of the carpet with a bond and bind by hand application or hot-melt gun or other method.

What I can tell from the documents is as follows. Perez filed his document in Peru in August of 2002. In August of 2003 he filed in the United States and attached the Instabind card brochure showing the finished products and color chart but did not inclose or inform the patent office of the Instabind method or patent pending status. Further Perez had his attorney attach the Multy-edge product literature to the filing and stated that his product was different than the INSTABIND and Multy-edge. What is very interesting is the PTO refused his initial application based on prior patents which I need to review in more detail. To keep the Perez patent application alive Perez filed a continuation patent application in 2004. What is surprising is his attorney adds a drawing which is clearly a cross section showing the INSTABIND product.This drawing now appears on the face of the issued patent and is captioned drawing number 6 in his patent. This drawing is nowhere to be found in the Perez initial Peruvian patent application. His attorney copied it from Instabind for sure.

What is even better is the Patent Office Examiner stated in his Allowance of the Perez applicatino for patent that the sole reason for allowing the patent was that the product as shown in picture number 6 (the Instabind product) was the only new and novel matter and on that basis he was going to allow the patent application to mature to a patent. UREKA, we were right all along. Instabind, as we knew is the true invention here. I question whether Perez's wide picture binding method is even protectable.

Anyway, where does this leave us. Facing some significant effort and filings with the PTO perhaps. I need to strategize with Mr. Albright. We are on solid ground as best I can tell from the limited review of the papers so far. We appear to have the clear earlier filing date and better and clear disclosure. To the extant Perez came close he may have thought up a pre-applied gluing method combining an iron and welt attached to a flange similar to Instabind but clearly after the time Ben and Kelly filed with the USPTO. There is a possibility the parties could argue over who invented it first in an expensive interference proceeding with the USPTO patent board of interference but we don't want to go there if we don't have to. We could use a typcally expensive interference to our advantage if Mr. Albright agrees to move forward without pay and on contingency based on agreement. I would prefer to mature our pending application to a patent with the best and broadest claims Mr. Albright determines is feasible under the circumstances. It may behoove us to not inform Perez at all of our pending patent and lay low until our patent issues. All I can tell you is I am very confident that the Boatwright and Huddleston patent application should issue in due course and be considerably broader in claims and force than the Perez patent which is very narrow and gave up a lot during prosecution. The Patent Office refused the Perez application and then his attorney severely limited the claims which should come back to bite him. We are on much stronger ground, priority wise, and substance wise. I can forward the documentation in due course. - Jeff Greger

Please confirm safe receipt of this email.

Jeffrey H. Greger, Esq. – jhgreger@pfirm.com
Dir 703 535 7069 Cell 571-331-4949 Fax - 703-518-5499
1700 Diagonal Road, Suite 300, Alexandria, Virginia 22314-2848

03/23/2006

INSTRUCTIONS

(12) INTERNATIONAL APPLICATION PUBLISHED UNDER THE PATENT COOPERATION TREATY (PCT)

(19) World Intellectual Property Organization
International Bureau

(43) International Publication Date
29 January 2004 (29.01.2004)

PCT

(10) International Publication Number
WO 2004/008921 A1

(51) International Patent Classification[7]: D04D 9/02, D05G 7/10, A47G 27/02,

(21) International Application Number: PCT/US2003/020118

(22) International Filing Date: 30 June 2003 (30.06.2003)

(25) Filing Language: English

(26) Publication Language: English

(30) Priority Data:
60/392,261 1 July 2002 (01.07.2002) US
60/411,347 10 September 2002 (10.09.2002) US

(71) Applicants and
(72) Inventors: BOATWRIGHT, Ben, E. [US/US]; 24 Billies Cove, Acworth, GA 30102 (US). HUDDLESTON, Kelly [US/US]; 24611 Cochara Street, La Junta, CO 81050 (US).

(74) Agent: ALBRIGHT, Penrose, Lucas, Mason, Mason & Albright, 2306 South Eads Street, Arlington, VA 22202 (US).

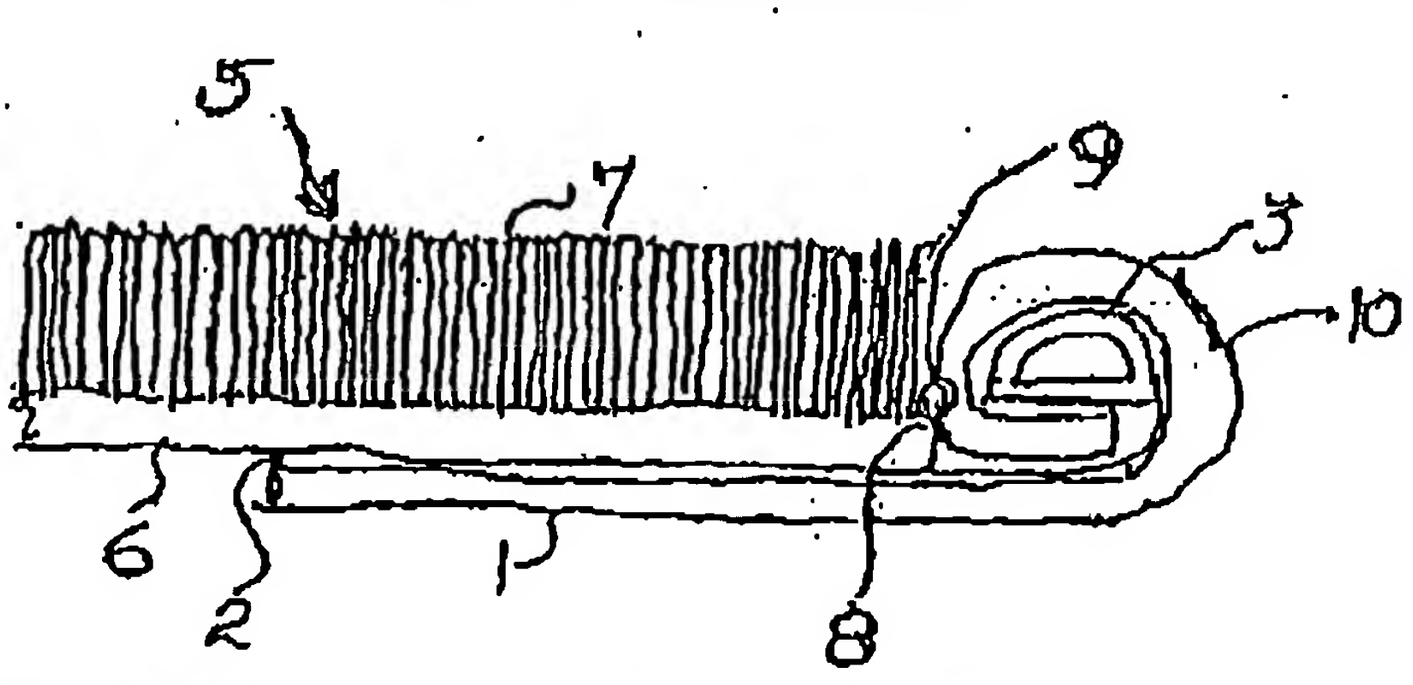
(81) Designated States (national): AE, AG, AL, AM, AT, AU, AZ, BA, BB, BG, BR, BY, BZ, CA, CH, CN, CO, CR, CU, CZ, DE, DK, DM, DZ, EC, EE, ES, FI, GB, GD, GE, GH, GM, HR, HU, ID, IL, IN, IS, JP, KE, KG, KP, KR, KZ, LC, LK, LR, LS, LT, LU, LV, MA, MD, MG, MK, MN, MW, MX, MZ, NI, NO, NZ, PH, PL, PT, RO, RU, SC, SD, SE, SG, SK, SL, TJ, TM, TN, TR, TT, TZ, UA, UG, US, UZ, VC, VN, YU, ZA, ZW.

(84) Designated States (regional): ARIPO patent (GH, GM, KE, LS, MW, MZ, SD, SL, SZ, TZ, UG, ZM, ZW), Eurasian patent (AM, AZ, BY, KG, KZ, MD, RU, TJ, TM), European patent (AT, BE, BG, CH, CY, CZ, DE, DK, EE, ES, FI, FR, GB, GR, HU, IE, IT, LU, MC, NL, PT, RO, SE, SI, SK, TR), OAPI patent (BF, BJ, CF, CG, CI, CM, GA, GN, GQ, GW, ML, MR, NE, SN, TD, TG).

Published:
— *with international search report*
— *before the expiration of the time limit for amending the claims and to be republished in the event of receipt of amendments*

For two-letter codes and other abbreviations, refer to the "Guidance Notes on Codes and Abbreviations" appearing at the beginning of each regular issue of the PCT Gazette.

(54) Title: STITCHLESS ON-SITE BINDING METHOD AND MANUFACTURE



(57) Abstract: A binding for a cut carpet edge comprises a binding fabric (1) covered with a double-sided adhesive layer (2) and welting material (3) enclosed in a pocket formed by bending about half the width of the binding fabric (1) with the adhesive layer (2) around the welting material (3) and adhering it to itself.

WO 2004/008921 A1